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Annual report of the Executive Director on the activities of the United Nations Office for Project Services*

Summary

The year 2007 was the first year of the three-year business strategy of the United Nations Office for Project Services (UNOPS). During the year, significant headway was made towards the vision of establishing the organization as a world-class provider of project management and procurement services at the United Nations. The financial results for 2007, to be fully reported at the first regular session 2009 of the Executive Board, were positive for a second consecutive year. Client confidence rose during 2007, as evidenced by a record volume of new business and positive responses to a first-ever client survey.

The organization improved its business processes and policies and resumed investing in its staff. Yet, as illustrated in the 2008-2009 budget approved by the Board at its first regular session 2008, further investment is needed to deal with the management challenges and opportunities of the upcoming period.

The present report provides an overview of how UNOPS contributes to the results of United Nations peacebuilding, humanitarian and development operations. As this is the first such report produced by UNOPS, the data it contains create baselines for future assessments. Information is included on project outputs and partnerships in 10 sectors: education; the environment; gender equality and the empowerment of women; governance; health; humanitarian relief and recovery; justice and reconciliation; poverty alleviation; public works; and security and public order. A separate section reports on activities related to the International Fund for Agricultural Development (IFAD).

The leading areas of work performed by UNOPS, in the categories prescribed by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), were: reconstruction relief and rehabilitation; government and civil society; health; and protection of the environment.

*The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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Elements of a decision

The Executive Board may wish to:

(a) Welcome the progress of UNOPS towards improving effectiveness and efficiency in line with its business strategy;

(b) Take note of the contributions to the operational results of the United Nations; and

(c) Take note of the 2007 UNOPS business acquisition, which demonstrates the viability of its business model and growing confidence on the part of UNOPS partners.

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I. Introduction

1. The Executive Director is pleased to inform the Executive Board of progress made in 2007 towards the goal set for UNOPS in its 2007-2009 business strategy: to establish UNOPS as a world-class provider of management services in support of United Nations peacebuilding, humanitarian and development operations. While much was achieved and more is under way, attaining this standard of excellence will require effort and investment throughout the current biennium, as is outlined in the biennial budget document (DP/2008/13).

2. The year 2007 saw record UNOPS business acquisition and a positive financial result – both indices significantly exceeding targets and prior-year performance. Those accomplishments confirm that United Nations reform and coherence initiatives present business opportunities to UNOPS. Other contributing factors include the UNOPS change-management regime and, especially, the dedication and professionalism of UNOPS staff around the world. The organization anticipates that its performance will benefit from the partial merger with the UNDP/Inter-Agency Procurement Services Office (IAPSO), effective 1 January 2008, as approved by the Board in 2007.

3. The present report responds to decision 2007/38 requesting an overview of UNOPS clients and services, and information on the implementation of the partial merger, including provision of services to non-governmental organizations.

4. The report also inaugurates annual UNOPS reporting on its contributions to the operational results of the United Nations in accordance with Executive Board decision 2007/9. UNOPS will henceforth describe how its work on behalf of its partners makes tangible differences in the lives of the people and communities served by the United Nations.

5. While the details presented below concentrate on corporate performance in 2007, UNOPS management and staff are nevertheless focused on current needs and future challenges. As reported in DP/2008/13, UNOPS must exceed delivery records in 2008 and 2009 and must weather complications such as the weak United States dollar and the uncertainties inherent to operating in the most difficult locations in the world if it is to implement its strategy fully. Despite encouraging business trends and the knowledge that UNOPS is growing stronger, several problematic issues await resolution, and the physical risk of performing UNOPS work remains a constant concern.

II. Implementation of the 2007-2009 business strategy

6. UNOPS seeks recognition as a world-class service provider at the United Nations. Its business strategy promotes financial viability; client satisfaction and strong partnerships; best-in-class business processes; and strong workforce motivation and competencies. To accomplish these aims, UNOPS has defined 10 strategic performance objectives, as reported in DP/2008/13 (see annex 2 to the present report).

7. A 'balanced scorecard' – with basic indicators tested in 2007 – helps monitor the implementation of the strategic performance objectives. A comprehensive version of the scorecard became operative in 2008, strengthening performance measurement and manager accountability in UNOPS.

A. Financial perspective

8. UNOPS operations require a secure financial footing. In 2007 UNOPS delivered $850 million through project implementation and spent $47.9 million administering it. For the second consecutive year, UNOPS contributed to its operational reserve. Net revenue generated in 2007 was $15.1 million, a further improvement over the $8.9 million generated in 2007. However, write-offs and bad debt provisions – predominantly from the pre-2006 period – such as for the unresolved interfund balance with UNDP, reduced the revenue available for the operational reserve to $3.6 million, bringing the total reserve level to $16.8 million. UNOPS expects this amount to rise upon settlement of cases for which full provision has been made in the financial statement.

9. The certified financial statement for 2006-2007 will be provided to the Executive Board at its first regular session 2009, together with the report of the United Nations Board of Auditors, and following review by the Fifth Committee of the General Assembly. The highlights are presented in annex 1 to the present report.

10. 'Business acquired' is a lead indicator for future financial sustainability. The record acquisition level of $1.477 billion in 2007 indicates strong demand for UNOPS services.

11. A number of internal measures were implemented during 2007 to increase the timeliness and quality of financial reports. Key among them was the creation of a new finance structure at headquarters, in regional offices and in operations centres. Of 76 staff members in this structure, 40 per cent were recruited during the year from the private sector and other United Nations organizations. UNOPS now has three certified public accountants; formerly, there were none.

12. The main initiatives implemented in 2007 – or prepared during the year for introduction in early 2008 – include:

(a) A 'dashboard' of financial data that enables UNOPS managers and staff to monitor performance and manage on the basis of timely, reliable information;

(b) A continuing effort to move from manual imprest transaction processing to Atlas-based transaction processing so as to enhance controls and ensure real-time reporting;

(c) A management tool to expedite formulation, approval and implementation of new projects and help avoid financially unviable undertakings;

(d) A new cost-recovery and client pricing policy; and

(e) A corporate insurance scheme to protect against business interruption, crime or litigation from clients or contractors.

13. In mid-2007 UNOPS established an internal audit function, reporting directly to the Executive Director, to strengthen objective examination of the organization and its projects. Additional information about this function is provided in DP/2007/31.

14. UNOPS has created a 'Strategy and Audit Advisory Committee' comprising five external members with extensive, relevant backgrounds in the public and private sectors. The Committee, which first met in early 2008, provides the Executive Director with independent advice regarding strategic and audit objectives, including analysis of the risks facing UNOPS.

B. Clients and stakeholders

15. The increase in new business in 2007 referred to in paragraph 10, above, is a solid indicator of rising client confidence in UNOPS. Greater attention to client

needs, and more frequent and complete reporting to partners, have contributed to stronger client relations. A first-ever client survey was conducted in early 2008, providing a baseline against which to measure improvement in client perceptions. Seventy-three per cent of respondents reported satisfaction with UNOPS services, half of all clients said they were "highly satisfied". The survey pointed to the need for improved communication with clients about the 'new' UNOPS and for continued improvements in the efficiency and effectiveness of UNOPS services and reporting.

16. UNOPS operations centre directors and managers are participating more actively in United Nations country teams, providing UNOPS implementation experience to support United Nations efforts. Resident coordinators and other partners were asked to rate the contributions to United Nations country teams. While locations with UNOPS presence had very high positive ratings, average favourability was 67 per cent. Due to the increased importance of regional coordination, UNOPS is aligning its regional office sites with those of the United Nations Development Group. A newly appointed Regional Director for Latin America and the Caribbean opened the Regional Office in Panama in mid-2007, relocating that function from Peru. The Regional Office for Africa moved from Nairobi to Johannesburg in the second quarter of 2008. UNOPS has also become a more active member of the High-level Committee on Management and of the United Nations Development Group, focusing primarily on operational issues.

17. The partial merger with UNDP/IAPSO took place on 1 January 2008. It has strengthened the ability of UNOPS to support the entire United Nations system with procurement services. Preparations in 2007 allowed for a smooth transition of services from IAPSO to UNOPS, as well as the transfer of responsibility for maintaining the United Nations procurement portal (the 'Global Marketplace'), and the electronic procurement platform for common user items, 'UN Web Buy'. UNOPS anticipates future opportunities to provide additional procurement and logistics services in support of peacekeeping missions and other United Nations activities.

18. In 2007 UNOPS continued to diversify its client base (see annex 4 for details). Of the four key clients, the UNDP share of total revenue was 37.3 per cent, representing an increase in dollar terms but a slight reduction as a share compared with 2006. Included in the UNDP category are management service agreements signed with governments by UNDP on behalf of UNOPS, and this element increased in importance. DPKO moved up as the second largest client, with a revenue share of 17 per cent, replacing the World Bank (with a 13.1 per cent share). UNICEF increased marginally to the level of 6.3 per cent.

19. Servicing United Nations organizations is the core role of UNOPS, and United Nations reform efforts present opportunities for expanding such support. In addition to the work performed for DPKO, UNDP and UNICEF, UNOPS provided services in 2007 to numerous others[1]. United Nations clients represented 70.7 per cent of the UNOPS client base in terms of revenue, with a total project expenditure of $585 million – an increase of 17 per cent over 2006. UNOPS will continue its outreach to United Nations organizations, including those not currently

[1] The Department of Economic and Social Affairs, the Department of Political Affairs, the Food and Agriculture Organization, IFAD, the International Labour Organization, the Office for the Coordination of Humanitarian Affairs (OCHA), the Office of the High Commissioner for Human Rights, the United Nations Programme on HIV/AIDS, the United Nations Capital Development Fund, the United Nations Environment Programme (UNEP), the United Nations Educational, Scientific and Cultural Organization, UNFPA, the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Interregional Crime and Justice Research Institute, the United Nations Institute for Disarmament Research, the United Nations Development Fund for Women (UNIFEM), the United Nations Institute for Training and Research (UNITAR), the United Nations Office on Drugs and Crime, the World Food Programme and the World Health Organization.

served. Improved UNOPS procurement services should be particularly attractive to the United Nations system.

20. An interesting trend was the increase in services to governments from 7.2 per cent of total revenues to 14.8 per cent. In some cases this included funding from the World Bank, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and bilateral institutions to projects awarded by programme country governments to UNOPS for implementation. The largest increases in 2007 were attributed to the Government of India and the 'Three Diseases Fund' in Myanmar.

21. In addition to the implementation portfolio, UNOPS provides support services for fees. The former category returned revenue of $50.6 million in 2007 and the latter $9.4 million. This included services to IFAD, GFATM, UNFPA, and to the World Bank for procurement services for the Government in the Democratic Republic of the Congo. IFAD business has diminished, as the organization is building its own capacity for loan administration and fund supervision, but IFAD intends to maintain the current level in 2008 and 2009.

22. Annex 5 provides the OECD-DAC sector and sub-sector details for 2007 project expenditures and revenue earned. The dominant sectors were: reconstruction, relief and rehabilitation; government and civil society; health; and protection of the environment. These accounted for 25 per cent, 23 per cent, 15 per cent and 8 per cent, respectively, of 2007 project expenditures. The major sub-sectors were: reconstruction, relief and rehabilitation; post-conflict peacebuilding; and medical services, accounting for 25 per cent, 16 per cent and 10 per cent, respectively, of 2007 project expenditures.

23. Most of the reconstruction, relief and rehabilitation work took place in Afghanistan, Indonesia, Sri Lanka and the Sudan. Mine-action projects accounted for 81 per cent of post-conflict peacebuilding expenditures. Pharmaceutical procurement in India accounted for 54 per cent of medical services expenditures. The small grants and international water portfolios, comprising work performed on behalf of the Global Environment Facility (GEF) Trust Fund administered by UNDP, accounted for most of the environmental project expenditures, with the UNDP Trust Fund client group representing 88 per cent of total environmental work and UNEP an additional 7 per cent.

24. In 2007 UNOPS made significant headway in preparing low-cost communication materials for key audiences. A communications strategy debuted mid-year, creating a communications unit at headquarters that produced materials about UNOPS offices, sectors and services, efforts and personnel. By year-end some 50 such products had been completed and posted online. In late 2007, UNOPS started updating its corporate website with a version that takes advantage of new software, with completion targeted for mid-2008.

C. Business processes

25. Review and improvement of UNOPS business processes and systems support represented the most significant investment in change management made in 2007. Twenty-five standard operating procedures ensure consistency, speed and quality in operations. One noteworthy example of a reengineered business process was the post management system, where processing speed and efficiency increased by 83 per cent. Other achievements that had a fundamental impact on performance included a new financial reporting platform and automated support to project start-up and approval processes.

26. Oversight of procurement improved with the introduction, on 1 January 2007, of a new procurement manual and a headquarters-based contracts and property committee. In 2007, UNOPS established an online submissions system that strengthened accountability and shortened review cycles. Local contracts and property committees were established in the Africa and Middle East regional offices.

27. The UNOPS human resources practice developed several new policies, including an individual contractor agreement in order to reduce administrative costs while improving the arrangements and working conditions of non-staff personnel. UNOPS has shared information on this innovative contract with partner organizations. On 1 January 2008, five previous service contracts were replaced with individual contractor agreements. Management system linked to Atlas replaced several older systems, reducing administration costs.

D. People

28. As is the case for other United Nations entities, the people working at UNOPS are its greatest asset. Due to prolonged financial difficulties, career management and learning have experienced under-investment for years. In 2007 a new human resources strategy took effect and modest investments in staff training were made, with more to follow in 2008-2009.

29. Staff morale is high at UNOPS. As earlier reported to the Executive Board, a 2007 staff attitude survey indicated greater job satisfaction than is reported by comparable organizations. A second survey, conducted in first quarter of 2008, validated this strong result. Respondents identified continued improvement in communication and transparency in corporate decision-making, and better cooperation among UNOPS offices. Staff were asked if they see their work contributing to improvements in people's lives. Ninety-one per cent of personnel, across locations and functions, responded positively. There were critical comments on such issues as work distribution, career planning, recognition and rewards, and the mechanism for reporting harassment, which must be addressed by management.

30. There was significant movement of personnel in 2007 due to new business acquisition, the partial merger of IAPSO with UNOPS, and regional and headquarters realignments. Over 900 vacancy announcements were advertised and five job fairs were held. More than 200 new staff contracts were issued, and nearly as many separations took place. Some 2,500 local and 220 international personnel were transferred to the new individual contractor agreement.

31. In 2007 UNOPS approved a learning strategy and launched a 'Learning and Development' section on the UNOPS intranet. The section hosts mandatory courses, such as security and harassment training, as well as training in project management, procurement and finance (including external learning and certification) and in Atlas and standard operating procedures. Beyond mandatory requirements, 636 staff members and service contract holders undertook training. This included 424 staff trained in procurement and 32 staff certified in PRINCE2™ project management. While most training is Internet-based, UNOPS supported 13 training workshops, including for the training of trainers.

32. UNOPS staff made significant headway towards a culture of knowledge-sharing throughout the organization, with a positive impact on the quality of its services. Nine 'communities of practice' commenced in 2007 to share best practices and lessons learned and to improve tools. Most staff now participate in one or more communities, with those addressing procurement, infrastructure and human resources the most active. Participation rose from 381 members in June 2007 to 643 by the end of the year, an increase of 69 per cent.

33. Internal communication grew with the help of a new staff-management forum with elected staff participants from each region. Increased numbers of 'town-hall' meetings kept staff up-to-date with organizational developments. Twelve internal facilitators and regional learning and training coordinators at headquarters and regional levels supported team-building exercises and knowledge-sharing workshops.

III. UNOPS contributions to the operational results of the United Nations

A. Introduction

34. Since the 2007 annual report is the first to include a results-based assessment of UNOPS contributions to the programme outcomes of its partners, the findings presented below represent benchmarks. As a growing volume of comparable data is compiled, these assessments of UNOPS activities will become increasingly useful.

35. Annex 3 to the present report contains an overview of the methodological challenges encountered and decisions taken, and outlines the data-gathering process. While every effort was made to ensure complete, accurate data, establishing effective mechanisms for reporting previously uncollected types of data consistently across the organization will take time. Data gathered for 2007 should therefore be considered indicative rather than comprehensive.

36. The unique role of UNOPS inherently affects results-based assessment of its performance. As a provider of services to organizations and governments, in line with client wishes UNOPS can handle all aspects of project design and implementation or provide selected services. UNOPS contributes to programme outcomes in partnership with other entities, and since project ownership rests with UNOPS clients, their annual reports may include elaboration of broader outcomes and/or outputs than those described below.

37. Due to the administrative nature of UNOPS work for projects financed by IFAD, for which UNOPS normally provides only loan and fund supervision services, contributions to those outcomes are described separately.

38. Other UNOPS contributions are organized under 10 core sectors in support of peacebuilding, humanitarian assistance and development. The sectors were defined on the basis of the United Nations peacebuilding inventory, concluded in 2006, and the Millennium Development Goals. They comprise: education; the environment; gender equality and the empowerment of women; governance; health; humanitarian relief and recovery; justice and reconciliation; poverty mitigation; public works; and security and public order. The results below are not duplicated in other sectors.

B. General findings

39. The role of UNOPS as service provider means that client priorities and needs dictate the scope, focus and location of UNOPS work. (The UNOPS portfolio is described generally, in terms of revenues and delivery, in paragraphs 18-25, above.) In 2007 UNOPS activities contributed to results in all 10 sectors named in paragraph 40, above.

40. As the lead United Nations entity for large-scale physical infrastructure projects in peacebuilding settings, UNOPS managed significant volumes of construction work in Afghanistan, Iraq and Sudan in 2007. UNOPS also undertook

substantial efforts in Indonesia, the Maldives and Sri Lanka, where long-term rebuilding continued following the 2004 tsunami.

41. Overall, UNOPS-supported infrastructure work in 2007 provided access to clean water to over 2.3 million people, constructed more than 200 schools, and provided solid waste removal services that benefited some 500,000 people. UNOPS designed 49 government buildings and built 27, designed 1,779 kilometres of roads and built 1,361 kilometres, and rehabilitated some 60 bridges.

42. In the environment sector, UNOPS executed several large, biodiversity and international waters programmes and administered over 3,000 small-grants projects in 2007, delivering results in over 100 countries.

43 UNOPS procurement and project execution services contributed to results in the health sector, notably in Argentina, India, Myanmar and Peru. In 2007 UNOPS procured health-related goods worth over $90 million and oversaw the distribution of 342 million doses of medication to fight malaria, tuberculosis and HIV/AIDS.

44. In the security sector, UNOPS supported United Nations Mine Action Service (UNMAS) projects that cleared almost 1.4 million unexploded ordnance devices, mainly in Afghanistan and Lebanon.

C. Education

45. Much of the education infrastructure work delivered by UNOPS in 2007 (predominantly in Indonesia, the Maldives and Sri Lanka) falls under the humanitarian relief and recovery sector described in section H, below. UNOPS also significantly assisted education outputs elsewhere, often supporting UNICEF efforts to achieve Millennium Development Goal 2 targeting universal primary education.

46. Globally, UNOPS managed the construction or rehabilitation of 129 schools serving 16,503 students in 2007. Much of that work was in Myanmar where, working at the request of UNDP and the Governments of Australia, New Zealand, Sweden and the United Kingdom, UNOPS rehabilitated 111 schools serving 15,500 students, and provided numeracy and literacy training to 9,857 villagers. On behalf of the Government of the United States of America, UNOPS rehabilitated three university faculty buildings in Afghanistan and designed 46 schools in the Sudan. Of those, UNOPS has so far constructed six schools serving 2,400 students, including 1,440 girls.

47. Procurement was a major component of UNOPS support to education outputs in 2007. Of $34.5 million in education-related goods, most was expended in Argentina, financed by the national government, the Inter-American Development Bank and the World Bank.

D. Environment

48. The trans-boundary nature of environmental issues necessitates coordinated international action. Working for clients such as GEF, UNDP, the World Bank and various national governments, UNOPS supports projects that reverse environmental damage, raise awareness and improve resource management. In so doing, UNOPS contributes to the achievement of Millennium Development Goal 7, which targets ensuring environmental sustainability.

49. On behalf of GEF and UNDP, in 2007 UNOPS facilitated international cooperation to prevent and reverse the environmental degradation of international waters. UNOPS-supported projects included large-scale international efforts such as

those concerning the Black, Caspian and Yellow Seas, and groundwater in Southern Africa. Those projects supported 57 community-based environmental initiatives and 161 public-awareness activities, and trained 840 experts in government and non-governmental organizations. Project estimates put the number of people in coastal regions affected by the projects at 50 million.

50. In Afghanistan, with funding from the United States Government, UNOPS managed two projects (one described in box 1) that financed 89 sub-contracts with local communities. Disbursements funded local action on reforestation, soil and water conservation and horticultural development. UNOPS organized the training of 655 government staff and community leaders in biodiversity conservation, and supported five initiatives raising awareness on sustainable natural resource management and providing environmental education to children.

Box 1. Afghanistan Conservation Corps

Years of conflict, poverty and population growth decimated Afghanistan's environment, undermining the wellbeing of rural dwellers, approximately 80 per cent of whom rely directlyon natural resources for their livelihoods.

The Afghanistan Conservation Corps (ACC) programme is funded by the United States Government and managed by UNOPS in collaboration with the national Government. ACC works with local communities to improve rural livelihoods, building capacity to restore and manage forests, rangeland and watersheds sustainably, and helping conserve biological diversity, particularly in fragile ecosystems. Labour-intensive methods provided work for returning refugees, internally displaced persons, women and ex-combatants.

In 2007 ACC supported the production of 825,000 fruit and forestry saplings and community management of 1,500 hectares of pistachio forest, increasing rural incomes by 30 per cent. ACC oversaw the establishment of 689 nurseries and orchards and the landscaping of public areas in five cities, benefiting several million people.

The programme created 169,000 days of employment, provided environmental education to 12,000 schoolchildren and 1,000 university students, and trained over 4,000 government employees and community leaders in horticulture, forestry, and soil and water conservation.

51. UNOPS served as executing agency for the GEF-UNDP Small Grants Programme, providing administrative and financial management for almost 3,000 small grants projects in 2007. The grants financed community-based environment initiatives in 90 countries, including 1,520 grants aimed at conserving biodiversity, 482 directed at climate change and 161 at protecting international waters.

E. Gender equality and the empowerment of women

52. The commitment of the international community to gender equality and the empowerment of women are enshrined in Millennium Development Goal 3. Because UNOPS clients often mainstream gender empowerment in their work, projects in other sectors frequently contained gender components. Nonetheless, review of UNOPS contributions to gender objectives reveals the need for more systematic approaches to gender mainstreaming and reporting.

53. In Guatemala, the Government of Italy and UNIFEM requested that UNOPS provide 3,104 women with vocational training and oversee the distribution of 929 micro-grants to women entrepreneurs to finance the establishment of small businesses, such as cafes and shops.

54. In Afghanistan, on behalf of the United States Agency for International Development (USAID), UNOPS managed grants to 156 women for small-business development and constructed a university building that now accommodates almost 600 female students.

F. Governance

55. Working for national governments, United Nations organizations and funding mechanisms such as the United Nations Development Group Trust Fund in Iraq and the Multi-Donor Trust Fund in Sudan, UNOPS assisted governance projects in 2007 by constructing government buildings, procuring goods and conducting census- and election-related activities.

56. UNOPS designed 49 government buildings and constructed 27. The majority were in Sudan (44 buildings designed and 13 built). Latin America was another important region for government infrastructure, with eight buildings delivered on behalf of the Governments of Argentina, Guatemala and Peru.

57. UNOPS procured goods for government administration worth over $32 million in 2007. Latin America and the Caribbean accounted for $17.3 million in goods procured under 18 projects in Argentina, El Salvador, Guatemala, Peru and Uruguay. In Argentina, the Ministry of Health and the World Bank requested that UNOPS contract institution-strengthening services worth more than $2.3 million.

58. UNOPS oversaw the training of 300 independent election observers in the Democratic Republic of the Congo, on behalf of the Government of Canada, and 220 electoral officials in Iraq, on behalf of the European Union. UNOPS procured election-related equipment worth $1.86 million for use in Haiti and Iraq.

Box 2. Census support in Southern Sudan

Fourteen years after its last census, by 2007 Southern Sudan urgently needed population data to facilitate development planning. The Multi-Donor Trust Fund financed a $70-million census and hired UNOPS to procure goods and services and train local personnel.

Working closely with regional and national governments, UNOPS delivered vital equipment in a timely fashion to remote locations, despite often impassable roads. In 2007 UNOPS procured significant quantities of census-related equipment, including 272 motor vehicles; 15 generators; 217 tents; 161 computers; 800 bicycles; and six boats.

UNOPS supplied and erected 68 prefabricated office units, providing personnel with over 1,700 square metres of office space in Khartoum and six locations in Southern Sudan. UNOPS co-funded an operations centre in Rumbek and established a radio room for the Southern Sudan Centre for Census, Statistics and Evaluation, permitting effective planning and communication with their 10 state offices. UNOPS provided 42 Centre personnel with more than 900 hours of specialized training. The multiplier effect of this capacity-building was significant: staff returning to their states trained 160 colleagues.

G. Health

59. The health sector represents a significant share of the UNOPS portfolio, with activities concentrated in Asia and the Pacific, and Latin America and the Caribbean. Clients include UNDP, UNFPA, national governments and the 'Three Diseases Fund', a consortium of international donors.

60. In support of Millennium Development Goals 4 and 5, targeting reduced child mortality and improved maternal health, UNOPS designed and constructed eight maternity wards in Iraq at the request of UNFPA, and procured goods worth more than $35 million on behalf of the Government of Peru to enhance the care offered by its maternity wards.

61. Procurement of medical supplies accounted for nearly half the total value of UNOPS activities in the health sector, including over $25 million for health-care centres in Argentina and India, and 200 ambulances for the Government of Peru.

62. UNOPS supported projects in Asia and the Pacific that contributed to the achievement of Millennium Development Goal 6, targeting HIV/AIDS malaria and other diseases. For UNDP, UNOPS provided 35,000 villagers with HIV/AIDS awareness education, supported the development of 65 community action plans and distributed 534,000 condoms and 99,000 information, education and communication items. For the World Bank and GFATM, UNOPS procured 140 million doses of anti-malarial drugs and 178 million doses of tuberculosis vaccine. For the World Bank and the Government of the United Kingdom, UNOPS procured 24,248,000 doses of HIV/AIDS drugs.

63. As fund manager for the Three Diseases Fund in Myanmar, UNOPS oversaw the distribution of 825,442 syringes for intravenous drug users and 4 million condoms. In 2007, 35,275 people received testing and counselling for sexually transmitted infections, and 28,855 people were treated. Nearly 215,000 people received rapid diagnostic tests for malaria; 37,419 cases were treated, 29,628 mosquito nets were distributed and 143,000 nets treated. Prevention activities reached 496,447 people.

64. Also in Myanmar, UNOPS managed the training of 36,254 personnel in health administration, which is estimated to have benefited more than 1.15 million people.

Box 3. HIV/AIDS Regional Programme in the Arab States

Despite growing HIV/AIDS infection rates, many Arab States have yet to introduce the multi-sector, target-based and results-oriented approaches needed to address the epidemic.

To strengthen awareness and commitment to fight the disease, UNDP launched the HIV/AIDS Regional Programme in the Arab States, hiring UNOPS as implementing agency. A key component involves educating and cooperating with religious leaders, whose social and cultural influence in Arab communities makes them vital partners.

The Regional Programme made significant progress in 2007. For the first time, a training seminar on HIV/AIDS awareness was held in Bahrain, for 135 Sunni and Shiite religious leaders, men and women. In Somalia, 130 religious leaders attended training seminars while 500 women heard lectures on HIV/AIDS. In Djibouti, 24 imams received voluntary counseling and testing for HIV, to reduce stigma and promote voluntary testing.

Local authorities are using HIV/AIDS Regional Programme tools to raise awareness and shift public opinion. HIV/AIDS education kits with references from the Koran or the Bible are increasingly popular advocacy tools for religious leaders. The Government of Morocco is using the kits to implement a plan to provide HIV/AIDS education and training to all 31,000 imams in Morocco.

H. Humanitarian relief and recovery

65. UNOPS offers humanitarian services in support of emergency relief and recovery following natural disasters or conflicts. UNOPS clients in 2007 included the European Union, OCHA, UNFPA, UNHCR, UNICEF, and national governments.

They chose UNOPS for its ability to scale up activities rapidly and its expertise in managing large-scale, complex reconstruction efforts.

66. In 2007, much of UNOPS humanitarian relief and recovery work focused on long-term efforts to rebuild lives and infrastructure following the 2004 Indian Ocean tsunami. UNICEF and other partners asked UNOPS to deliver infrastructure projects in Indonesia (see box 4 below) and Sri Lanka. In 2007, UNOPS designed 181 schools in relief settings and constructed or rehabilitated 89. In addition, UNOPS managed the construction of 82 school kitchens in Sri Lanka, and 20 teacher training centres in the Maldives.

Box 4. Post-tsunami reconstruction of schools in Indonesia

The 2004 tsunami caused catastrophic damage in Indonesia, leaving more than 200,000 dead or missing, destroying vast amounts of infrastructure and displacing more than half a million people. The Government of Indonesia has prioritized school reconstruction in its recovery programme.

UNICEF selected UNOPS as its main implementing partner in efforts to rebuild permanent primary schools, responsible for design; tendering and awarding contracts; recruiting and managing human resources; reporting; and financial management. UNOPS school designs are tailored to the needs of each community and site, with construction specifications setting new standards for earthquake resistance.

In 2007, UNOPS designed 126 schools, tendered and awarded 139 contracts, and built 70 schools with 436 classrooms. The schools completed serve over 13,000 pupils and represent an important step towards achieving Millennium Development Goal 2.

In recognition of that success, UNICEF has increased the number of schools contracted to UNOPS to 226, and has contracted UNOPS to build 29 community health centres.

67. Sri Lanka accounted for most of the health-related disaster relief work that UNOPS supported in 2007. UNOPS designed seven health clinics in Sri Lanka, on behalf of UNHCR and UNICEF, and helped construct or rehabilitate 55 for UNFPA, UNICEF and World Vision. UNFPA also asked UNOPS to train 6,000 personnel in health-related disciplines. In Haiti, UNOPS designed six health clinics for UNICEF.

68. On behalf of UNHCR, UNOPS helped provide emergency shelters in Sri Lanka that served more than 20,000 homeless people, as well as shelter kits and technical assistance in building temporary housing for 2,500 families.

69. Almost all of the 128 kilometres of roads built by UNOPS in relief settings worldwide was for two projects implemented in the Democratic Republic of the Congo, at the request of OCHA. In Sri Lanka, UNOPS designed and managed the construction of four bridges, with funding from the Government of Spain.

70. In the area of water and sanitation – a crucial component of disaster relief work – UNOPS supported seven projects globally that provided more than 123,000 people with access to clean water. Most of them (116,600) were in Sri Lanka, where, at the request of UNICEF, UNOPS designed three water treatment plants, constructed two, and built 94 kilometres of water networks.

Box 5. The Operational Satellite Applications Programme

For governments and organizations delivering humanitarian and development assistance, satellite imagery can be useful in identifying where and how to intervene.

UNITAR asked UNOPS to help make such information available by establishing and

managing its Operational Satellite Applications Programme (UNOSAT). UNOPS administers the personnel contracts of UNOSAT experts, issues satellite image purchase orders, contracts companies for specialized services (such as interpretation of specialized data or processing of radar imagery) and manages knowledge-sharing contracts with the European Commission and the European Space Agency.

In 2007, UNOSAT supplied maps and technical expertise for 46 targeted relief efforts led by United Nations organizations. UNOSAT maps were used to locate and assist communities during flash floods in the Sudan that claimed 60 lives, and aided similar emergency interventions in West Africa and Somalia. UNOSAT images helped manage assistance to the 30,000 inhabitants of the Nahr el Bared refugee camp in Northern Lebanon, after three months of intense fighting inflicted severe damage. UNOSAT produced more than 200 maps and analyses in 2007.

I. Justice and reconciliation

71. In 2007, UNOPS supported the justice and reconciliation efforts of national governments, including those of Canada, Guatemala, Switzerland, the United Kingdom, the United States, and international entities including DPKO, the European Union, UNDP and the United Nations Office on Drugs and Crime (UNODC). The goal was to establish legitimate structures for dispute settlement and the administration of justice. UNOPS contributed design, construction and rehabilitation of infrastructure, as well as training and capacity-building.

72. On behalf of the European Union, UNOPS built a human rights facility in Iraq and trained 280 personnel, through projects sponsored by the European Union and Canada. At the request of UNHCR, UNOPS implemented projects establishing and managing 10 human rights facilities in Angola, Burundi and the Democratic Republic of the Congo that provided human rights training to 1,000 police officers, human rights trainers, civil society representatives and students.

73. In the area of transitional justice and corrections, UNOPS designed and built nine detention centres (five on behalf of the Government of Guatemala and UNDP, and four in Afghanistan, for UNODC). UNOPS-administered projects also trained over 1,600 police officers worldwide on justice issues.

74. Other activities included supporting a UNODC programme that provided training on terrorism legislation to 1,200 judges globally (mostly from developing countries); solving 1,513 property rights claims in Kosovo and administering a further 31,957 on behalf of the European Agency for Reconstruction, the United Nations Mission in Kosovo (UNMIK) and the Governments of Switzerland, the United Kingdom and the United States; and development and adaptation of justice administration software in Guatemala, on behalf of the Supreme Court of Guatemala, UNDP and the World Bank.

J. Poverty mitigation

75. In creating the environment, infrastructure, services and skills needed for development, most UNOPS-supported projects help reduce poverty and improve standards of living, thereby contributing to the eradication of extreme poverty targeted by Millennium Development Goal 1. In some instances, however, clients such as UNDP, UNMIK and national development agencies make poverty mitigation their main project goal, achieved through agricultural development, employment generation and direct financial support.

76. In 2007, UNOPS helped provide livelihood and food security assistance to 252,541 households in Myanmar, on behalf of UNDP and the Governments of Australia, New Zealand, Sweden and the United Kingdom. For the same donors, UNOPS managed efforts to cultivate and strengthen the capacity of 15,800 households to address their basic needs, using a participatory community development approach. Also in Myanmar, UNOPS executed a UNDP project providing 351,466 low-income households with microfinance services to stimulate grass-roots economies and create jobs.

77. In Kosovo. UNOPS assisted UNMIK and the Government of Italy in stimulating local economic development, boosting earnings and reducing unemployment by managing financial support to 150 local businesses.

Box 6. Transport infrastructure rehabilitation in the Democratic Republic of the Congo

Situated on the Congo River, Kisangani, the third largest city in the Democratic Republic of the Congo, with 500,000 inhabitants, is a focal point for trade between the eastern and western regions of the country. For years, however, poor road infrastructure and inadequate access to markets have hampered commerce.

To facilitate transportation and travel, UNOPS completed two important road rehabilitation projects in 2007: the 100-kilometre road from Kisangani to Yangambi (financed by the European Union) and the 128-kilometre road from Kisangani to Ubundu (financed by the Government of the United Kingdom).

Using local capacity and labour-intensive methods wherever possible, the projects generated more than 200,000 days of work for local residents, boosting the economy and reinforcing the sustainability of outputs. The roads now connect agriculturally productive areas with the western part of the country via the Congo River. By opening access to farmers' markets, they stimulate trade and reduce poverty.

Recognizing the importance of river transport in Kisangani, the European Union hired UNOPS to rehabilitate the local ferry station and procure a ferry to operate on the Lindi River. Using its procurement experience, UNOPS obtained – under budget – two 35-tonne ferries, each capable of carrying five light vehicles or three heavy trucks.

K. Public works

78. National governments financed a large proportion of UNOPS public works activities, in particular the Governments of Australia, New Zealand, Norway, Sweden, the United Kingdom and the United States. Other clients included the European Union, the Sudan Multi-Donor Trust Fund, UNDP and UNICEF.

79. In 2007, UNOPS supervised the design of 1,779 kilometres of road (421 paved and 1,358 unpaved) and the construction or rehabilitation of 1,233 (340 paved and 893 unpaved) and 57 bridges. Road and bridge infrastructure work took place largely in Afghanistan, the Democratic Republic of the Congo, Myanmar, Peru and Sudan. In Afghanistan, UNOPS implemented 17 projects on behalf of USAID that trained 4,020 local people in construction-related disciplines.

80. UNOPS support had a huge impact in the field of water supply and sanitation. Implementation of two water projects in Iraq provided more than 2,000,000 people with better access to clean water. Water treatment plants were constructed in Iraq and Sri Lanka, and 27 wells were drilled in the Sudan. In Peru, UNOPS supported the construction of 20 kilometres of water networks.

Box 7. Rehabilitation of six water networks in Southern Iraq

Following decades of neglect, water networks in the Qadisiya, Muthana, and Wassit governorates of Southern Iraq urgently needed repair. The leakage of 60 per cent of the water supply caused shortages of potable water, while contamination by saline water and sewage diminished water quality, health and living standards.

In response, the three governorates prioritized the 'Six Water Networks' project and hired UNOPS to implement it, with responsibility for designing and managing the repair, replacement and extension of the networks. This required resourceful solutions: in Qadisiya, for instance, cutting water supplies for the month normally needed to replace a main water trunk could have sparked an uprising. Hiring 180 labourers to work simultaneously on excavating a 530-metre trench under the supervision of three UNOPS engineers, UNOPS replaced the trunk in two days.

UNOPS managed the construction of 55 kilometres of new pipes, trained 22 water directorate engineers and created more than 2,600 days of labour for local people. More than 200,000 local residents now have access to clean drinking water.

81. In Iraq, UNOPS supervised the removal of 185,000 tonnes of rubble, serving a local population of 500,000 and generating 53,000 days of work.

82. In Haiti, UNOPS supported the generation of an additional 0.8 megawatts of power, providing 20,000 people with improved access to energy.

83. In the Sudan, UNOPS helped build local capacity by facilitating the rehabilitation of administrative buildings for five governors, and supplying equipment and information technology support to 13 government institutions.

Box 8. La Calle de mi Barrio, Peru

The La Calle de mi Barrio programme demonstrates how simple, low-cost improvements to physical infrastructure can raise the quality of life, self-esteem and confidence in the future of people living in low-income areas.

Working with UNDP, UNOPS is a 'strategic partner' to the Ministry of Housing of Peru in the development and execution of the programme, participating in the planning and construction of roads and pavement, refurbishing parks and building playgrounds.

In 2007, UNOPS supported 95 projects, investing $250,000 to $300,000 in each. Those investments totaled $28 million and benefited more than 250,000 people. UNOPS services ranged from developing the bidding process for hiring contractors to supervising and managing works. UNOPS explained the benefits and execution mechanisms to the communities involved, participated in local assemblies and advised on maintaining and protecting the completed infrastructure.

The accomplishments have been far-reaching. Road infrastructure improvements have facilitated the movement of pedestrian and vehicular traffic within villages, reducing accidents and creating access for public services such as garbage collection, leading to improved public health. Investments have conferred greater security, while higher living standards have boosted property values. In many cases the projects have strengthened democratic governance by engaging local communities in decision-making.

L. Security and public order

84. UNOPS involvement in security and public order was primarily in support of UNMAS activities and included recruitment, procurement, contracting commercial and national organizations, and providing technical and operational support and

financial and legal services. UNOPS support commonly took the form of personnel services for individuals on peacekeeping missions, and procurement and other services for the missions themselves.

85. UNOPS-supported mine action efforts made considerable progress in 2007. Nine UNMAS projects cleared approximately 2,800 hectares of minefields and more than 14,540 hectares of battlefield. They removed 29,465 anti-personnel mines, 1,946 anti-tank mines and nearly 1.4 million unexploded ordnance devices, including 138,750 cluster bomb units and 500 unexploded bombs.

86. By clearing 916 kilometres of road and guaranteeing a further 15,000 kilometres free of explosives, UNOPS significantly expanded freedom of movement. Mine-risk education to more than 1.65 million people greatly improved the safety of affected communities.

87. UNOPS assisted various disarmament, demobilization and reintegration projects. In 2007, the Government of Japan asked UNOPS to support the retraining of some 900 child soldiers in Burundi, the Democratic Republic of the Congo, Rwanda and Uganda.

88. In the occupied Palestinian territories, UNOPS designed 12 and built two security training facilities, and trained 395 security personnel, on behalf of the Governments of the Netherlands and the United States. At the request of the European Union and the Governments of Canada, the Netherlands, the United Arab Emirates, the United Kingdom and the United States, UNOPS procured equipment worth nearly $1.9 million for security institutions.

Box 9. UNMAS mine action in Afghanistan

Despite significant progress in mine clearance efforts during recent years, mines and unexploded ordnance in Afghanistan still cause casualties, impede movement and deny access to valuable land and resources.

UNOPS provided support services to an UNMAS project coordinated through the Mine Action Centre for Afghanistan.

The Mine Action Programme in Afghanistan made significant progress in 2007. Clearance teams returned more than 2,700 hectares of suspected minefields to communities for productive purposes, while the use of mechanical assets released more than 14,000 hectares of former battlefield. In the process, more than 26,000 antipersonnel mines, 650 anti-tank mines and 850,000 items of unexploded ordnance were destroyed. The programme also surveyed an additional 6,600 hectares of conflict-affected land.

Mine Action Programme activities were not directed solely at identifying and removing explosive ordnance. In 2007, over 1.5 million people – 42 per cent of them women – received mine-risk education. Afghanistan also met its obligation under the Ottawa Treaty to complete the destruction of all known anti-personnel mine stockpiles. The Mine Action Centre played an important role in achieving this milestone.

M. The International Fund for Agricultural Development

89. IFAD projects are almost always implemented by the recipient government (barring exceptional situations such as in Somalia). As a result, UNOPS normally provides only fund management services, which include assisting project planning and negotiation; monitoring and reporting on financial management; approving or reviewing disbursements; supervising project implementation; training project personnel on administering funds; and providing technical advice and recommendations to national implementing bodies.

Box 10. IFAD Integrated Community Development Programme in Somalia

With limited food, water, health care, infrastructure and financial services, the people of the Awdal and Galbeed regions of Northwestern Somalia often struggle to satisfy basic needs. Launched in 2001 and financed by the Belgian Survival Fund and IFAD, the Integrated Community Development Programme represents a multisectoral response to the many challenges.

As implementing agency, UNOPS oversaw delivery of multiple initiatives, assisting more than 127,000 families in 150 villages. Results have far exceeded targets in every sector. Agricultural production has increased to levels exceeding local needs, establishing food security in a once hunger-stricken region. Moreover, local communities view the Programme positively, making outputs more successful and sustainable.

Results in 2007 augmented earlier successes. They included building five water reservoirs, 12 wells and three sand-storage dams; distributing 800 kilogrammes of seeds for drought-resistant, high-yield crops; establishing 40 plots to demonstrate improved agronomic techniques; launching various locally-managed financial services, including credit associations and revolving funds; providing 100 rural women with microcredit loans to finance income generation and training in business development and credit management; and bringing literacy classes to 500 rural women in 10 villages. As the current phase concludes in 2008, UNOPS also managed the establishment of baseline data to inform subsequent phases.

90. UNOPS has provided such services to IFAD projects addressing integrated rural development, predominantly in Africa and the Middle East. Project components address areas such as agriculture, livestock and fisheries; social development; watershed and natural resource management; access to drinking water, markets and services; and development of rural financial services and infrastructure. UNOPS has thus supported Millennium Development Goal 1 – Eradicate extreme poverty and hunger – by helping reduce hunger and malnutrition, and increase incomes, educational standards and human well-being through such means as microfinance, institution-building, training and capacity-building.

91. Globally, UNOPS supported IFAD-financed projects with significant results in 2007. Among other outputs, the projects constructed 255 kilometres of paved roads, 1,898 kilometres of unpaved roads and 30 bridges; trained 12,480 personnel in construction-related disciplines; supplied 2,200 people with clean water; drilled 357 wells; provided 6,000 people with access to electricity; implemented 22 irrigation schemes and 4,684 rural water-supply schemes; built nine gas networks serving 68 villages, 124 schools and 20 health clinics; reforested 20 hectares; conducted 2,525 agricultural production demonstrations; applied improved agricultural techniques to 135,000 hectares; distributed 12,000 kg of improved seeds and 540,000 fruit saplings; vaccinated 12,416 livestock; extended microfinance to 31,222 rural dwellers; provided gender mainstreaming training to 7,080 women and training on capacity-building, skills enhancement and income generation to 263,329 rural poor.